

REMARKS

The following remarks are responsive to the Office Action of October 15, 2007,

In the Action, the Examiner documented a restriction requirement that was discussed with Attorney Brian Rupp on October 4 and 10, 2007. By way of this response, the Applicants affirm the election made by Mr. Rupp to prosecute claims 1-9 of the application. Claims 10-24 are hereby cancelled.

In the Action, the Examiner also rejected claim 1 under 35 U.S.C. § 102(e) as being anticipated by Published U.S. Patent Application No. 2003/0069836 (Penney et al.). Claims 2-4 and 8 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Penney et al. in view of Published Patent Application No. 2003/0093362 (Tupper et al.). Claim 5 was rejected under 35 U.S.C. § 103(a) as being unpatentable over Penney et al. and further in view of Tupper et al., and further in view of Published U.S. Patent Application 2001/0042036 (Sanders), and further in view of Published U.S. Patent Application 2003/0144942 (Sobek). Claims 6, 7 and 9 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Penney et al. and further in view of Tupper et al., and further in view of Sobek.

In support of the rejection of claim 1, the Examiner identifies various paragraphs in Penney et al. that disclose the steps of the method claimed in original claim 1. Claim 1, as amended, however, includes the steps of alerting the appropriate side of the buyer/seller transaction that a response to negate a trade has been received from either the buyer or the seller, and receiving from the other side of the buyer/seller transaction acceptance of the request to negate the trade. These steps are not disclosed in Penney et al. For this reason the Applicants respectfully request that the Examiner withdraw the rejection of claim 1 under 35 U.S.C. § 102(e) and allow the claim to issue.

Penney et al. discloses a method for amending financial transactions that allows for a Customer to communicate with a Provider so as to execute, amend, or cancel a transaction. According to the disclosure in Penney et al., the Provider is a “Liquidity Provider” that is typically a financial institution, such as a bank, that serves as a market maker. The Applicants’ invention does not involve a Provider, but rather a clearinghouse that serves no role as a market maker. Furthermore, unlike Penney et al. which only discloses a single customer interaction with the provider, the Applicants’ invention is directed to at least two customers (i.e., a buyer and a seller) interacting with each other via the clearinghouse.

In Penney et al., if the customer challenges or asks for a trade to be corrected, the provider may honor the request and does so without the need to involve any other customers of the provider. Unlike Penney et al. the instant application involves a method whereby the clearinghouse is contacted by a first customer (i.e., the buyer or seller) with a request to amend the trade. In response to this request, the clearinghouse sends a message to the other party who was engaged in the particular transaction (i.e., the other of the buyer or seller) and asks if they are willing to negate the trade. In Penney et al., the provider alone handles the transaction with the customer and makes good on the trade by either repurchasing or reselling the appropriate position from or to the customer. At no time does Penney et al., disclose the interaction of a second customer with the first customer in order to correct a trade.

Claim 1, as amended, claims a method whereby the clearinghouse contacts the second customer in a particular trade to inform them that a request a particular trade has been received. If the second customer accepts the request to negate a particular trade, the clearinghouse generates an offsetting transaction for both the buyer and the seller. Unlike in Penney et al., however, the clearinghouse cannot rectify the trade by itself. The ability to bring two customers together (i.e., the buyer and the seller) in order to cancel or amend a defective trade is not taught or suggested by Penney et al. For this reason, the Applicants respectfully ask that the Examiner withdraw the rejection of claim 1 under 35 U.S.C. § 102(e) and allow the claim to issue.

Claims 2-4 and 8 were rejected as being unpatentable under 35 U.S.C. § 103(a) over Penney et al. in view of Tupper et al. The disclosure in Tupper et al. does not cure the deficiency of Penney et al., in that Tupper et al. does not notify the second party to a transaction (i.e., the buyer or seller) that a request to negate a trade has been made. Furthermore, Tupper et al., does not disclose receiving an acceptance of the request to negate a trade from the party on the side of the trade opposite of the requestor. Claim 2 has been canceled; however, for the reasons cited above, the Applicants request that the Examiner withdraw the rejection of claim 3-4 and 8 under 35 U.S.C. § 103(a) and allow the claims to issue.

Claim 5 was rejected as being unpatentable under 35 U.S.C. § 103(a) over Penney et al., in view of Tupper et al., and further in view of Sanders. Claim 5 has been canceled.

Claims 6, 7, and 9 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Penney et al., Tupper et al., and Sobek. Each of these claims has been canceled.

In re Appl. of Baker et al.
Application No. 10/804,693
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New claim 25 further claims that the subject matter of the trade in question is a derivative. Support for this claim is found in original claim 1. New claims 26 and 27 are independent claims directed to the reversing of a trade involving the transfer an equity position or money. Support for these claims is found in paragraphs [0065] and [0066] of the specification. No new matter is added.

This application is believed to be in proper form for examination and early favorable action is requested. The Examiner is requested to call the undersigned attorney if that would be helpful in resolving any matters that might remain.

Respectfully submitted,

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